

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6791
BILL NUMBER: HB 1058

NOTE PREPARED: Dec 28, 2014
BILL AMENDED:

SUBJECT: Vanderburgh Circuit Court Magistrate.

FIRST AUTHOR: Rep. Washburne
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

STATE IMPACT	FY 2015	FY 2016	FY 2017
State Revenues			
State Expenditures		158,135	158,135
Net Increase (Decrease)		(158,135)	(158,135)

Summary of Legislation: This bill allows the judge of the Vanderburgh Circuit Court to appoint a second full-time magistrate.

(The introduced version of this bill was prepared by the Interim Study Committee on Courts and the Judiciary.)

Effective Date: July 1, 2015.

Explanation of State Expenditures: A new magistrate for Vanderburgh Circuit Court is estimated to cost about \$158,000 annually beginning in FY 2016.

Additional Information- The salaries of circuit and superior court judges and magistrates can be adjusted each year by one of two methods:

- The General Assembly could increase the amount specified in statute.
- If the General Assembly does not increase the salary of judges by a nominal amount, then under IC 33-38-5-8.1, salaries of judicial officers can be adjusted by the amount that executive staff salaries in the same salary level are increased and the Chief Justice of the Indiana Supreme Court approves the increase.

State expenditures associated with these new court officers also depend on the costs of fringe benefits for state employees. While most of the benefits are based on a percentage of the salaries of the employee, the costs of medical insurance for the persons filling these new positions will depend on future decisions of the executive branch. The extent to which the state would pass along any increase in health insurance costs to employees is unknown.

The following table presents an estimate of the total compensation (base salary and fringe benefits) of magistrates for FY 2016. Future salary increases will depend on legislative or administrative actions (see IC 33-38-5-8.1).

Salaries and Benefits for Magistrates (FY 2016)	
Benefits	Magistrates
Salary	\$106,996
Life Insurance	\$160
Indiana Judicial Conference	\$1,000
Social Security	\$8,185
Disability Insurance	\$1,872
Retirement (see note)	\$27,718
Health, Dental, and Vision (blended rate)	\$12,204
Total Cost Per Judicial Officer	\$158,135

Note About Retirement Expenditures – LSA uses the four-year average of normal costs between FY 2010 and FY 2013 of each active member of the Judges Retirement Fund less the member’s contribution (roughly 6% of payroll) to calculate the annual retirement costs of magistrates. Normal cost is defined as the present value of benefits accruing for a particular plan year. From 2006 to 2013, normal costs for the plan increased by more than 96%. This is due, in part, to increases in retirement and disability benefits.

Explanation of State Revenues:

Explanation of Local Expenditures: Vanderburgh County would incur added costs for remodeling existing court room space.

Explanation of Local Revenues:

State Agencies Affected: Office of State Court Administration; Indiana Supreme Court; Indiana Judicial Center.

Local Agencies Affected: Vanderburgh Circuit Court.

Information Sources: Office of State Court Administration; Indiana Supreme Court; testimony of David

Kiely, Vanderburgh Circuit Judge, minutes of July 18, 2013, meeting of the Commission on Courts.; Indiana Public Retirement System; State Budget Agency Operating Budget Instructions FY 2016 - 2017

Fiscal Analyst: Mark Goodpaster, 317-232-9852.